

Tab 4



State of New Jersey

BOARD OF PUBLIC UTILITIES

TWO GATEWAY CENTER

NEWARK NJ 07102

CHRISTINE TODD WHITMAN
Governor

May 31, 1996

JAMES A. NAPPI
Secretary

Tel 201-648-3426
Fax 201-648-2409

TO ATTACHED SERVICE LIST

RE: Application of Jersey Central Power &
Light Company for Approval of the
Power Purchase Agreement between
Jersey Central Power & Light Company
and Manchester Renewable Power Corporation

Docket No. EM95090411

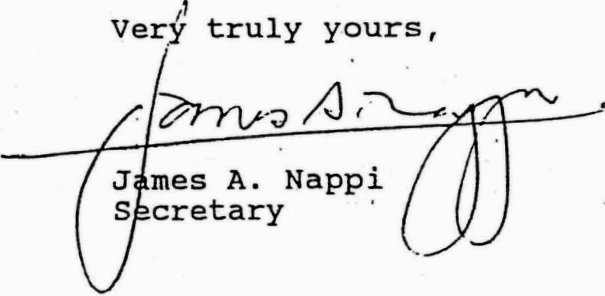
Dear Counsel:

In a letter dated April 9, 1996, Manchester Renewable Power Corporation (MRPC) has expressed its concern that the information in the Board's Order, dated March 27, 1996, on the above matter does not accurately reflect the obligations of MRPC and Jersey Central Power & Light Company with respect to the acquiring of emission reduction credits (EMRs). MRPC has attached to its letter a copy of a letter, dated April 3, 1996, which MRPC sent to JCP&L and which was signed by JCP&L acknowledging JCP&L's agreement with MCR's position on the issue.

The statement in the Order which is in question reads, "...MRPC will obtain for JCP&L offsets for any sulfur dioxide emissions reduction credits which JCP&L estimates to be worth \$1,000,000 over the term of the Agreement." MRPC states that "JCP&L is the only entity that is entitled by law to apply for any emission reduction credits associated with the project." MRPC will, however, assist JCP&L in obtaining the EMRs and the actual value of the credits may be significantly less than stated in the Order.

The Board, hereby acknowledges that JCP&L must apply for the EMRs and MRPC will only lend reasonable assistance in this endeavor. If there are any questions about this matter, please contact Robert Chilton, Director of the Electric Division, at (201) 648-3621. ✓

Very truly yours,


James A. Nappi
Secretary



AGENDA DATE: 12/20/95

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

CT
MSR

APPLICATION OF JERSEY CENTRAL)
POWER & LIGHT COMPANY FOR)
APPROVAL OF THE POWER PURCHASE)
AGREEMENT BETWEEN JERSEY)
CENTRAL POWER & LIGHT COMPANY)
AND MANCHESTER RENEWABLE POWER)
CORPORATION)

ELECTRIC
ORDER OF APPROVAL

DOCKET NO. EM95090411

(Service List Attached)

BY THE BOARD:

By letter dated August 31, 1995, Jersey Central Power & Light Company (JCP&L or Company) filed an application with the Board for approval of a Power Purchase Agreement (PPA or Agreement) between JCP&L and Manchester Renewable Power Corporation (MRPC) for the purchase of 4.58 Megawatthours/hour (MWH/hr) of contract capacity from a facility to be built by MRPC in Manchester, New Jersey. The facility is a qualifying facility (QF) as defined in the Public Utility Regulatory Policies Act (PURPA). MRPC is one of the 10 megawatt (MW) and under projects that responded to the Standard Offer that was part of JCP&L's Request for Proposals for Generation Capacity Solicitation No. 3 (RFP No. 3) issued in November 1992.

RFP No. 3 was issued pursuant to the Board approved 1988 Stipulation of Settlement (SOS), BPU Docket No.8010-687B, dated September 28, 1988, which established the guidelines under which investor-owned electric utilities were to purchase capacity and energy from QFs and other non-utility generators (NUGs). The SOS was approved for a five (5) year term ending on September 28, 1993. Current Board policy, as established in Docket No. EX94120578, by Order dated December 21, 1994, requires all new procurements of capacity and energy by electric utilities to be market tested. By Order dated January 19, 1994, in Docket No. EE91081432, the Board approved JCP&L's petition to withdraw RFP No. 3. However, the Company did not withdraw the Standard Offer associated with RFP No. 3 for projects of 10 MW and under.

Section 11 of the SOS provides that each utility will set a standard offer price for smaller projects, for a five year cumulative block size as follows:

ACE	MW
JCP&L	100 MW
PSE&G	200 MW
RECO	25 MW

Pursuant to the SOS, the standard offer is limited to a QF generator(s) with a total single site gross capacity of no more than 10 MW (5 MW for RECO). No more than 30% of each utility's block need be signed annually in the first three years following the effective date of the standard offer. The standard offer price is to be set at the utility's avoided cost, as determined by the differential revenue requirement method. Accordingly, these projects do not have to bid in an RFP.

MRPC is a New Jersey corporation with its principal office located in Wixom, Michigan. It plans to construct a facility at the Ocean County Landfill in Manchester, New Jersey. The facility will use landfill gas as its fuel source. JCP&L has indicated that no back-up fuel is required. There will be six (6) reciprocating engines with a gross capacity of 4.8 Megawatts operating on a must-run basis to supply the 4.58 MWH/hr.

The lack of a back-up fuel was of some concern to the Board Staff since other similar projects generally have natural gas or oil as a back-up. Under PURPA, renewable projects such as this are allowed to use up to 25% fossil fuel. MRPC has indicated that a source of natural gas is close to the plant site, although the gas pipeline and other facilities needed to provide access to this alternate fuel source are not currently in place. JCP&L has indicated to the Board that it will receive full capacity credit from the PJM power pool for the facility, notwithstanding the lack of a back-up fuel. By letter dated December 14, 1995, MRPC has provided assurances to the Board that in the event the facility is unable to achieve 85% Facility Availability Factor for a Performance Year under the contract, due to deficiencies in the amount of methane gas available and provided such availability is not otherwise excused pursuant to the terms of the contract, MRPC will make prompt arrangements at its expense to obtain and utilize natural gas as a back-up fuel, up to the limits permitted under PURPA.

JCP&L issued its RFP No. 3 on November 3, 1992, after its request for authorization to issue the RFP was considered and approved by the Board at the September 6, 1992, agenda meeting. The Board's decision was memorialized by written Order in Docket No. EE91081432, issued on November 9, 1992, which Order specifically provided for a 30 MW "Standard Offer Block". The Stipulation attached to that Order specified that the pricing would be based upon avoided cost projections submitted by JCP&L on August 30, 1991. On April 15, 1993, MRPC responded to RFP No. 3 with an offer that was 100% of the 1991 avoided cost projections. Responses were also submitted to JCP&L by Parklands Gas Recovery Project, River Terminal Project, MCRC Renewable Power Partners, L.P. and Arnet. After substantial negotiations, on June 21, 1994, JCP&L notified MRPC that, due to changed market conditions and declining avoided costs, the original pricing was no longer acceptable to JCP&L. MRPC, while indicating its objection to JCP&L's position, nonetheless agreed to

negotiate with JCP&L for a lower price. After, on August 31, 1995, after lengthy negotiations, the parties executed the subject Agreement which contains a pricing level halfway between the original 1991 pricing and the 1993 avoided costs, at a rate that is 115% above the 1993 avoided costs.

As noted above, current Board policy is that all new energy and capacity procurements must be market tested. By Order dated June 14, 1995, in Docket No. EX94120578, the Board reviewed the status of all QF projects under development to determine whether they must be market tested. After review of the circumstances surrounding the MRPC project, the Board grandfathered MRPC from the new market test requirement because of its origination with RFP No. 3, which predates the Board's Order in Docket No. EX94120578.

The project's scheduled Commercial Operation Date is the later of May 31, 1996 or 26 months after receipt of final, nonappealable, regulatory approval of the Agreement. The PPA contains a sunset date which is 3 years from the projected Commercial Operation Date. The sunset date is the date at which the PPA may be terminated by the utility if the project has not come on line. The energy and capacity payments under the PPA are levelized at 35%, which is allowed under the SOS. However, since the levelization of the PPA results in payments above the "target" avoided cost, in the early years of the contract, the PPA contains a Suspense Account for the benefit of ratepayers to assure that overpayments during the early years of the Agreement will be recovered by ratepayers over the term of the Agreement. The Suspense Account is an escrow fund that will accrue to JCP&L if the project terminates its Agreement prior to its term. Although the SOS allowed 35% levelization without security, because the PPA avoided costs are 15% above the 1993 avoided costs, a special calculation was necessary to determine the actual level of security required. The Suspense Account liability is projected to last 11 years based on the overpayments above a 35% levelization of 115% of avoided costs, for which suitable security will be provided by MRPC to cover the liability.

The PPA contains many other typical provisions from the SOS, but has a modified "regulatory out" clause developed in response to the January 9, 1995, decision by the United States Court of Appeals for the Third Circuit in Freehold Cogeneration Associates, L.P. v. Board of Regulatory Commissioners of the State of New Jersey, et al., (Freehold decision). The PPA provides that the Agreement shall not become binding and effective on the parties until the Board has entered a final, nonappealable Order approving the PPA "in form and substance satisfactory" to both parties and authorizing the full pass-through to customers of all costs and charges thereunder. The PPA also provides that both JCP&L and MRPC will waive any rights under PURPA or otherwise to challenge the PPA solely on the grounds that the rates exceed JCP&L's 1993 avoided costs. Additionally, under this provision, MRPC has expressly waived any rights it may have under PURPA to challenge or contest the Board's jurisdiction over the PPA or its authority to reduce or disallow such recovery of the rates paid by JCP&L to MRPC over the term of the PPA. The regulatory-out clause further provides that in the event any disallowance action occurs which reduces JCP&L's recovery of the payments made by JCP&L to MRPC to an amount less than the rates agreed to but equal to or in excess of one hundred percent (100%) of the 1993 avoided costs, the parties will reduce the PPA rates to such rates as the BPU shall have authorized. If the BPU were to reduce or disallow rate recovery below 100% of 1993

avoided costs, JCP&L would still be obligated to pay MRPC at rates which were not less than the 1993 avoided costs. The PPA does not contain a buyout clause as specified in the Board's Towner Order Docket No. EM910400-4, dated April 12, 1993.

The term of the PPA is 20 years from the Commercial Operation Date. Upon mutual agreement the PPA can be extended for up to 10 years. JCP&L may, at its sole discretion, purchase excess energy above the contract capacity. The PPA contains a Liquidated Damage Fund provision should MRPC want to extend the Commercial Operation Date. The Suspense Account will be secured by a letter of credit from an acceptable, highly rated financial institution. The PPA provides for a Performance Guarantee which is payable if the Facility Availability Factor falls below 85% for a Performance Year. The Performance Guarantee is intended to assure that the project delivers capacity on a consistent basis. The cost of interconnection will be approximately \$540,000 for substation and system upgrade and line design and construction, which cost will be borne primarily by MRPC. JCP&L's obligation as provided for in the SOS and the Standard Offer, is limited to a one time payment of \$15/KW or about \$72,000.

The Ratepayer Advocate (RPA) and Staff reviewed the Agreement and propounded discovery, which was responded to by JCP&L and MRPC. A public hearing was held on December 5, 1995, in Manchester, New Jersey, before Administrative Law Judge John Tassini. Gerald W. Conway, on behalf of JCP&L, explained the pricing arrangements that the Company had agreed to with MRPC. Michael Walker, on behalf of MRPC, indicated that the project would consist of six Caterpillar gas engines using landfill gas, which is methane. Mr. Walker explained the history of the project and federal policies under PURPA. Theodore A. Schwartz, on behalf of MRPC, described the environmental benefits of using landfill gas and how the project comports with the Clean Air Act Amendment of 1990. He also discussed the Climate Change Treaty signed in 1991 and the Landfill Methane Outreach Program sponsored by the U.S. Environmental Protection Agency. He also indicated that JCP&L would be eligible for sulphur dioxide allowances by purchasing the power from this project. Kurt Lewandowski, representing RPA, expressed the Ratepayer Advocate's concern as to the rate impact of the project. Members of the public who appeared, Floyd Freeman, Arthur Silverstein, Louis Feldman, Michael Freesia and Paul Spagnola, were mainly concerned about the safe and environmentally sound operation of the landfill from which the landfill gas was being utilized. Correspondence was received from Theresa Lettman of Manchester supporting the environmental benefits of the project. Mayor Jane C. Cameron sent in a letter in support of the project on environmental grounds and indicating her understanding that the rate impact of the PPA would be negligible.

Positions of the Parties

JCP&L, in the petition, notes that the MRPC project is one of six projects which responded to the Standard Offer portion of its RFP No. 3, which was authorized for issuance by the Board in November 1992. JCP&L indicates that it unilaterally withdrew RFP No. 3 (with the Board's later concurrence) in April 1993, "because of fundamental changes in market circumstances." It indicates that the Standard Offer portion of RFP No. 3 was not withdrawn and that several proposals thereunder were received in May 1993. JCP&L indicates that, while negotiations with MRPC proceeded under the Standard Offer, it determined that the proposed contract rates of

all the Standard Offer projects, which were based on its 1991 avoided cost projections, were significantly higher (by approximately 38%) than JCP&L's then most recent avoided costs as filed with the Board in September 1993. JCP&L states that because of increased competition facing the electric industry, it sought MRPC's "cooperation" in negotiating the proposed contract rates downward to more accurately reflect market conditions and bring the MRPC project more in line with current market alternatives. Although MRPC disputed JCP&L's right to seek prices lower than those included in its bid, the parties, "in an effort to resolve any differences and, in particular, to avoid lengthy and costly litigation regarding the avoided cost issues", negotiated an arrangement which, in effect, split the remaining differences between the parties equally, resulting in a rate equal to 115% of the 1993 avoided cost.

JCP&L indicates that, in light of the disputed legal positions between itself and MRPC as to MRPC's entitlement to its original bid prices based on JCP&L's 1991 avoided costs as set forth in the Standard Offer, it views the PPA as being, in effect, "an upfront buydown" of what would otherwise have been an even less economic purchase." In answer to discovery question S-JC-4, JCP&L admits that viable market alternatives exist today that are "substantially cheaper" than the rates in the MRPC agreement, it contends, nonetheless, that it negotiated and executed the agreement in good faith and is requesting full rate recovery because the PPA was the product of a Standard Offer based on 1991 avoided costs. Thus, JCP&L describes the agreement as a "compromise" which reflects, among other things, a significant reduction in the rates from the original 1991 avoided cost level and which contains a "regulatory-out" provision which has the intent and effect of waiving any PURPA prohibition or preemption of the Board's authority to approve the PPA under State law.

JCP&L further contends that the "first-year disbenefit" of the MRPC agreement will not "significantly impact customer rates." Finally, JCP&L notes that MRPC has taken the position that an initial Board Order disallowing full pass-through of all costs incurred by JCP&L would not be satisfactory to MRPC in form and substance and would thus entitle MRPC to terminate the PPA under §20.1 and to abandon the project. JCP&L indicates its understanding that if such action were taken by the Board, MRPC would likely terminate the project.

By letter dated September 25, 1995, MRPC supported JCP&L's petition for approval of the PPA. MRPC notes that the PPA was entered into pursuant to the Board's September 28, 1988, Order approving the SOS and JCP&L's RFP # 3, Standard Offer issued in November 1992. MRPC indicates that the pricing as originally proposed by MRPC was below JCP&L's 1992 avoided cost estimates and that MRPC has made additional voluntary reductions during negotiations "in the spirit of cooperation and in furtherance of its desire to move forward with the development of the MRPC project." MRPC argues that there are strong public policy interests that favor development of the project including economic and environmental benefits of the project which it describes in its letter. The MRPC project creates a number of significant environmental benefits notwithstanding its small size. Through a sophisticated collection system, the MRPC project will convert methane gas that is otherwise naturally emitted from landfills - and which would normally contribute to smog formation - into a valuable energy source, reducing reliance upon fossil fuels in the process. Landfill gas

recovery project have gained the support of the federal government, not only in the Public Utilities Regulatory Policies Act, but also at the Environmental Protection Agency (EPA). EPA has its Landfill Methane Outreach Program (LMOP), which is a key part of the President's Climate Change Action Plan. New Jersey has signed on as a supporter of LMOP. In addition, the MRPC project is eligible for emissions allowances under the 1990 Clean Air Act since it will reduce sulfur dioxide emissions.

Based on the above MRPC requests that the Board approve the terms of the PPA and find that the costs to be incurred by JCP&L thereunder be fully and timely recovered in rates by JCP&L through the Levelized Energy Adjustment Clause or its successor clause throughout the term of the Agreement. In addition, MRPC requests that the Board give some assurances that the Board's Order give some assurances that the power pricing will not be subject to subsequent modification.

By letter dated December 15, 1995, the RPA submitted written comments. RPA voiced its support for the environmental benefits of using landfill gas, but felt the pricing was excessive because it exceeded the applicable avoided costs. RPA's position on the pricing of the Agreement is that the earliest a legally enforceable obligation could have occurred was in 1993 and therefore the Board should allow JCP&L to pass through to ratepayers no more than the 1993 Avoided Cost level.

With respect to the specific issues raised by this filing, the RPA in the letter dated December 15, 1995, noted above, suggests that the earliest date that a LEO can be found to have occurred would be at a time when JCP&L's 1993 avoided would have been the "actual avoided costs." Accordingly, it contends that allowing JCP&L to pass through greater rates than its 1993 avoided costs would violate PURPA. The Ratepayer Advocate suggests that a proper balancing of all the legal and policy considerations would be achieved if the Board were to limit JCP&L's recovery to 100% if its 1993 avoided costs.

Discussion

This case raises virtually the same issues as were addressed in the recently decided MCRC case, which was decided by Board Order dated January 24, 1996. In that case, while we approved the PPA at issue, we stated that we were not convinced that there is a sufficient legal basis for MCRC to insist that it is entitled under PURPA to the negotiated PPA rates, on the grounds that this is a voluntary agreement. Based on our review of the submissions in this case, we take a similar position with respect to this PPA. While Section 301(b) of PURPA allows for certain voluntary agreements between parties, since the parties are asking the Board not only to approve the Agreement, but to order the pass-through of PPA costs to ratepayers, it could be argued that the Board is being asked to impose rates on ratepayers for QF power which may be in excess of the PURPA maximum. Thus, we are not convinced that there is a sufficient legal basis for MRPC to insist it is entitled to the negotiated rates under PURPA on the grounds that it is a voluntary agreement.

As with MCRC, it can be alternatively argued, that MRPC is entitled under PURPA to the full 1991 avoided cost rates because a "legally enforceable obligation" to sell power at the 1991 rate was incurred when it responded to JCP&L's RFP No. 3 Standard Offer or

the rate negotiated with MRPC based on 1992 rates wherein JCP&L accepted MRPC's advised project. JCP&L disputes this interpretation; however, it indicates that to avoid the risk of litigation with respect to the issue of pricing, it agreed to a "compromise" position, midway between the 1991 and 1993 avoided cost rates. As it did in the MCRC case, the RPA takes the position that the earliest possible date a LEO could be deemed to have been incurred was mid-1993, when MRPC responded to RFP No. 3 and that, consistent with the Board's decision in In the Matter of Petition of MidAtlantic Cogen, Inc. For an Order Directing PSE&G to Enter Into a Long Term Contract etc., Docket No. EM92040464, (which was affirmed by the Appellate Division), the applicable avoided cost at that time was JCP&L's actual avoided cost rate at that time (the 1993 rate), not the 1991 rate.

The issue of whether a legally enforceable obligation based on 1991 or 1992 avoided costs was incurred by MRPC when it responded to the Standard Offer has not been directly and fully addressed by the parties in this matter, and raises complex actual and legal issues. In particular, this would require a determination of whether, when MRPC responded to the Standard Offer, a binding contract was created or whether there were outstanding terms and conditions which remained to be worked out, which were resolved by initial negotiations.

From the existing record before the Board, it appears that MRPC perhaps somewhat credibly could have taken the position in 1993 that a LEO based on 1991 or 1992 avoided costs had been incurred when it responded to the Standard Offer in April 1993 and negotiated in good faith thereafter. The Board's Order adopting the Stipulation of Settlement (SOS) in Docket No. 8010-687B recognized that a bidding procedure might be prohibitive to small projects, and therefore provided for the Standard Offer price to be "set at the utility's full avoided cost." This is in contrast to the bidding procedures which had a price cap, but not a set price. Thereafter, in Docket No. EE91081432, the Board by Order dated November 9, 1992, adopted a Stipulation between JCP&L and Board Staff which provided for JCP&L to seek a Standard Offer block of 30 MW utilizing the avoided costs contained in its August 30, 1991 filing. Pursuant thereto, JCP&L shortly thereafter made the Standard Offer available, indicating that the price is the Company's 1991 projections of avoided cost and that the Standard Offer would be available for projects meeting application criteria on a first come, first serve basis until the 30 MW block was filled or until September 28, 1993. The Standard Offer included a model PPA to which JCP&L would consider "minor modifications" on a case-by-case basis. While JCP&L, following discussions with Board Staff, by letter dated March 11, 1993, gave notice that after April 16, 1993, the Standard Offer would be subject to new avoided costs, MRPC responded to the Standard Offer on April 16, 1993. Under the structure established for the Standard Offer, MRPC, therefore, might have had a credible argument that it was entitled to pricing at the 1991 or 1992 avoided cost. However, MRPC voluntarily continued to negotiate the price with JCP&L and in 1995 signed the PPA which is before us now for approval, which contains a lower rate, and which by its express terms is not effective and binding upon the parties until there is final written Board approval of the PPA and rate pass-through in a form satisfactory to both parties. An argument can be made that MRPC should not be penalized for attempting, with Staff's knowledge, to reach an amicable resolution with JCP&L which avoided litigation, particularly given the State's public policy favoring settlements. See, Public Advocate v. N.J. Bd. of Public Utilities, 206 N.J.

Super. 523, 528 Op. Div. 1987). Thus, while we are not convinced that there is sufficient basis for MRPC to insist that it is entitled under PURPA to the negotiated PPA rate because this is a "voluntary" agreement, MRPC may have a credible argument that it may have had an entitlement under PURPA to a rate set at 100% of the 1991 avoided cost rates, and thus the PPA's lower rate could therefore be considered just and reasonable.

The pricing in the PPA resulted from extensive negotiations between the parties. It should be noted that the SOS set aside special treatment for projects of 10 MW and below because of the particular difficulty associated with developing them. MRPC negotiated with JCP&L based on the RFP No. 3 avoided costs while JCP&L believed that the September 1993, avoided cost projection was the more appropriate benchmark, since it more accurately reflected current market conditions. The negotiated settlement arrived at a price half way between the two positions, and also gave JCP&L and the Board other significant rights. If the payments to the project are compared to JCP&L's 1993 avoided costs on a Net Present Value (NPV) basis, the NPV avoided cost ratio is 115%. Therefore, the payments to the project result in a disbenefit of \$4.2 million in terms of NPV based on a discount factor of 8.91% over the 20 year term.

In evaluating the Agreement, the Board has reviewed various avoided costs, including RFP No. 3 Standard Offer 1991, RFP No. 3 Revised 1992, 1993 Avoided Costs and 1994 Avoided Costs. The project's rates were compared to the various standards, and this comparison showed that the rates are below both the original RFP No. 3 Standard Offer 1991 and the RFP No. 3 Revised 1992 Avoided Costs. The project's rates are above the 1993 and 1994 levels, but as noted above, as a negotiated settlement, appear to represent a reasonable compromise. An additional advantage of the project which may not be directly evaluated in dollar terms is the fact that the project is located in the area of JCP&L's service territory that has previously been identified as needing additional capacity. The impact on JCP&L's rates will be insignificant, in that on an annualized basis the first-year payment will constitute 0.06% of the Company's revenues. The rate for the project payments over the course of the 20 year term start at 4.5 cents per kwh in the first year and rise to 7.5 cents per kwh in the final year.

The project has received its environmental permits and, though the production of electricity will produce some emissions, it should be noted that without the project, the landfill gas being utilized would otherwise be flared, providing no energy benefit. The project will meet or exceed all applicable State and Federal environmental standards and MRPC will obtain for JCP&L offsets for any sulphur dioxide emissions in the form of emissions reduction credits which JCP&L estimates to be worth \$1,000,000 over the term of the Agreement. The MRPC project will also reduce the emission of greenhouse gases. The RPA has stated that it believes this to be a good project on an environmental basis. Apart from using a waste gas, additional project benefits will include reduced greenhouse gas emissions and odors. The Board has recognized environmental externalities in the SOS where it required the utilities to consider non-economic factors in evaluating their supply side bids, and has specifically cited environmental benefits as one criteria. Additionally, in the DSM regulations, the Board provided for an inflation adjusted 2 cents per Kwh to reflect the importance of environmental externalities.

The Board has reviewed the record in this case, the "Market Test" and the "Grandfathering" Orders and the written comments and the record of the public hearing and believe that the Agreement between JCP&L and M&PC is reasonable and consistent with the Board's Orders governing the Stipulation of Settlement and JCP&L's RFP procedures.

Based on the above, the Board FINDS the Power Purchase Agreement to be fair and reasonable and that the PPA is in the public interest and should provide JCP&L customers with long term benefits.

Accordingly, the Board having reviewed the Power Purchase Agreement and being satisfied that it is in the public interest and in accordance with applicable law, the aforementioned Board Orders and the Stipulation of Settlement, HEREBY APPROVES the Power Purchase Agreement between Jersey Central Power & Light Company and Manchester Renewable Power Corporation dated August 31, 1995, and as such FINDS the rates specified therein and the costs resulting therefrom to be reasonable and reasonably and prudently incurred by JCP&L throughout the term of the Agreement. Therefore, the Board will allow JCP&L to flow-through and/or fully and timely recover the rates specified in the Agreement and the costs resulting therefrom in the manner set forth in the Board's Order dated September 28, 1988, (Docket No. 8010-687B) and the July 1, 1988, Stipulation of Settlement adopted thereby, and as clarified in the Board's Order dated October 2, 1990, in Docket No. EE88050655 allowing for the recovery of the costs through the Levelized Energy Adjustment Clause. However, nothing herein shall override the rights of the Board or the parties under Section 20.2 of the PPA, including the Board's right to revisit the contract pricing in the future.

Finally, the Board notes that it has initiated a generic proceeding (Docket No. EX93060255) to consider issues related to an alleged "double recovery" of capacity costs by the electric utilities regulated by the Board. The outcome of that proceeding may affect the amount or method of recovery of the costs in this matter.

DATED: March 27, 1996

BOARD OF PUBLIC UTILITIES
BY:

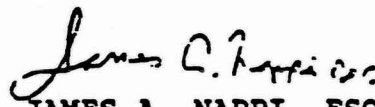

HERBERT H. TATE
PRESIDENT


DR. EDWARD H. SALMON
COMMISSIONER


CARMEN J. ARMENTI
COMMISSIONER

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

ATTEST:


JAMES A. NAPPI, ESQ.
SECRETARY

LIST OF EXHIBITS

- EXHIBIT A Initial Standard Offer Application, dated April 14, 1993
- EXHIBIT B JCP&L's Standard Offer
- EXHIBIT C Revised Standard Offer Application, dated May 27, 1994
- EXHIBIT D Power Purchase Agreement between JCP&L and the Company
- EXHIBIT E Unaudited Balance Sheet of the Company as of April 30, 1995
- EXHIBIT F List and Copy of all Material Contracts

STATE OF NEW JERSEY, } ss.
Morris County

Diane K. Shaw

Of full age, being fully sworn according to law, doth depose and say that she/he is the ADVERTISING MARKETING SERVICES of Morris County's Daily Record a newspaper printed and published in the County of Morris, in this State, and circulating in the said county, and the notice, of which the annexed is a printed copy, has been published in said newspaper. One

Publication being made the 15th day of November A.D. 19 95

[Signature]

JANE F. PITTALA
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JAN 20 2000

Sworn to and subscribed before me

November 15 A.D. 1995

[Signature] Notary Public

**PUBLIC NOTICE
JERSEY CENTRAL
POWER & LIGHT COMPANY
NOTICE OF FILING OF
PETITION TO APPROVE
THE POWER PURCHASE
AGREEMENT BETWEEN
JERSEY CENTRAL
POWER & LIGHT COMPANY
AND MANCHESTER
RENEWABLE POWER
CORPORATION
AND PUBLIC HEARING
TO OUR CUSTOMERS:**

On August 31, 1995, Jersey Central Power & Light Company ("JCP&L" or the "Company") filed a Petition with the New Jersey Board of Public Utilities (the "Board"), under BRU Docket No. EM95090411, for approval of the power purchase agreement ("PPA") between the Company and Manchester Renewable Power Corporation ("MRPC").

Pursuant to the PPA, MRPC proposes to construct, own, operate, and maintain, at property adjacent to the Ocean County Landfill, located in Manchester Township, Ocean County, New Jersey, a facility with a nameplate capacity of 4.8 MW and consisting of six reciprocating engines and all appurtenant structures and equipment, including interconnection facilities (the "Facility"), for the purpose of generating electricity. The Facility will use landfill methane gas recovery as its primary energy source and natural gas as a back-up energy source. Under the PPA, JCP&L will purchase all of the Facility's energy and capacity, over a 20 year term. The Facility is scheduled to begin commercial operation no sooner than May 31, 1996.

If the MRPC PPA is approved as requested, rates are projected to be approximately \$4.2 million (on a net present value basis), or 33% higher than they otherwise would be, assuming the Facility were to begin commercial operation in 1996.

Copies of the Petition and the PPA are available for inspection at the Company's offices at 300 Madison Avenue, Morristown, New Jersey 07962, and at the Board's offices at Two Gateway Center, Newark, New Jersey 07102.

Notice of this filing together with a notice of the public hearing thereon are being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas, and have also been served upon Blossom A. Peretz, Esq., Director of the Division of the Ratepayer Advocate, who will represent the public interest in this proceeding.

PLEASE TAKE NOTICE that the Board is considering the appropriateness of approval of this PPA and the Company's request for recovery of the costs to be incurred pursuant to the PPA through rates charged to its customers pursuant to its levelized energy adjustment clause. The Board has therefore scheduled a public hearing so that all persons may appear and be heard at the following time and place:

Tuesday, December 5, 1995
10:30 A.M.

Manchester Township
Municipal Building
1 Colonial Drive

Lakewood, New Jersey 08733
The hearing will continue on the above date and place until all persons appearing at the foregoing time have had an opportunity to be heard and/or to submit written comments or statements if they wish to do so.

Any person who wishes to submit written comments should do so by Friday, December 15, 1995 and should address them to James A. Napoli, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

Any person who wishes to intervene as a party in this proceeding should file a written motion to intervene with James A. Napoli, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102, not less than three days prior to the hearing date set forth above.

JERSEY CENTRAL
POWER & LIGHT COMPANY
By: MICHAEL P. MORRELL

VICE PRESIDENT
REGULATORY AND
PUBLIC AFFAIRS

No.

Term, 19

Proof of Publication of Notice in The Express-Times

Under Act No. 587, Approved May 16, 1929

State of Pennsylvania, ss:
County of Northampton

Christine Evans, Inside Classified Advertising Manager of The Express-Times, doing business in the County and State aforesaid, being duly sworn, deposes and says that The Express-Times is a daily newspaper published at 30 No. 4th Street, City of Easton, County and State aforesaid, which was established in the year 1855, since which date said daily newspaper has been regularly issued in said County, and that a copy of the printed notice or publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said daily newspaper on the following dates, viz:

and the 15th day of November , A.D. 19 95

**PUBLIC NOTICE
JERSEY CENTRAL
POWER & LIGHT COMPANY
NOTICE OF FILING OF
PETITION TO APPROVE
THE POWER PURCHASE
AGREEMENT BETWEEN
JERSEY CENTRAL
POWER & LIGHT COMPANY
AND MANCHESTER
RENEWABLE POWER
CORPORATION
AND PUBLIC HEARING**

TO OUR CUSTOMERS:

On August 31, 1995, Jersey Central Power & Light Company ("JCP&L" or the "Company") filed a Petition with the New Jersey Board of Public Utilities (the "Board"), under BPU Docket No. EM95090411, for approval of the power purchase agreement ("PPA") between the Company and Manchester Renewable Power Corporation ("MRPC").

Pursuant to the PPA, MRPC proposes to construct, own, operate and maintain, at property adjacent to the Ocean County Landfill, located in Manchester Township, Ocean County, New Jersey, a facility with a nameplate capacity of 4.8 MW and consisting of six reciprocating engines and all appurtenant structures and equipment, including interconnection facilities (the "Facility"), for the purpose of generating electricity. The Facility will use landfill methane gas recovery as its primary energy source and natural gas as a back-up energy source. Under the PPA, JCP&L will purchase all of the Facility's energy and capacity, over a 20 year term. The Facility is scheduled to begin commercial operation no sooner than May 31, 1996.

If the MRPC PPA is approved, as requested, rates are projected to be approximately \$4.2 million (on a net present value basis), or 33% higher than they otherwise would be, assuming the Facility were to begin commercial operation in 1996.

Affiant further deposes that she is duly authorized by The Express-Times, a daily newspaper to verify the foregoing statement under oath and also declares that affiant is not interested in the subject matter of the aforesaid notice or publication and that all allegations in the foregoing statement as to time, place and character of publication are true.

Christine Evans

Inside Classified Advertising Mgr., The Express-Times

Sworn to and subscribed before me this 20th day of November 19 95

Donald R. Roseberry II

Donald R. Roseberry II, Notary Public

My Commission Expires May 5, 1997

Notarial Seal
Donald R. Roseberry II, Notary Public
Easton, Northampton County
My Commission Expires May 5, 1997
Member, Pennsylvania Association of Notaries

State of Advertising Costs

..... Jersey Central Power & Light
310 Madison Ave.
Morristown, NJ 07962

To The Express-Times, Dr.
For Publishing the notice or advertisement
attached hereto on the above stated dates - \$ 798.75
Service charge \$ 2.50
Total \$ 801.25

Publisher's Receipt for Advertising Costs

The Express-Times, a daily newspaper, hereby acknowledges receipt of the aforesaid advertising and publication costs, and certifies that the same have been fully paid.

The Express-Times, a Daily Newspaper

30 No. 4th St., Easton, Pa. Established 1855 Dial 258-7171

Copies of the Petition and the PPA are available for inspection at the Company's offices at 300 Madison Avenue, Morristown, New Jersey 07962, and at the Board's offices at Two Gateway Center, Newark, New Jersey 07102.

Notice of this filing together with a notice of the public hearing thereon are being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas, and have also been served upon Blossom A. Perez, Esq., Director of the Division of the Ratepayer Advocate, who will represent the public interest in this proceeding.

PLEASE TAKE NOTICE that the Board is considering the appropriateness of approval of this PPA, and the Company's request for recovery of the costs to be incurred pursuant to the PPA through rates charged to its customers pursuant to its leveled energy adjustment clause. The Board has therefore scheduled a public hearing so that all persons may appear and be heard at the following time and place:

Tuesday, December 5, 1995
10:30 A.M.

Manchester Township
Municipal Building
1 Colonial Drive

Lakehurst, New Jersey 08733

The hearing will continue on the above date and place until all persons appearing at the foregoing time have had an opportunity to be heard and/or to submit written comments or statements if they wish to do so.

Any person who wishes to submit written comments should do so by Friday, December 15, 1995 and should address them to James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

Any person who wishes to intervene as a party in this proceeding should file a written motion to intervene with James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102, not less than three days prior to the hearing date set forth above.

JERSEY CENTRAL
POWER & LIGHT COMPANY
By: MICHAEL P. MORRELL
VICE PRESIDENT
REGULATORY AND
PUBLIC AFFAIRS

Affidavit of Publication

ATTACHMENT 4

Printer's Fee \$.....13.44

ADVERTISEMENT

PUBLIC NOTICE

JERSEY CENTRAL POWER & LIGHT COMPANY

NOTICE OF FILING OF PETITION TO APPROVE THE POWER PURCHASE AGREEMENT BETWEEN

JERSEY CENTRAL POWER & LIGHT COMPANY AND MANCHESTER

RENEWABLE POWER CORPORATION

AND PUBLIC HEARING

TO OUR CUSTOMERS:

On August 31, 1995, Jersey Central Power & Light Company ("JCP&L" or the "Company") filed a Petition with the New Jersey Board of Public Utilities (the "Board"), under BPU Docket No. EV95090411; for approval of the power purchase agreement ("PPA") between the Company and Manchester Renewable Power Corporation ("MRPC").

Pursuant to the PPA, MRPC proposes to construct, own, operate and maintain, at property adjacent to the Ocean County Landfill, located in Manchester Township, Ocean County, New Jersey, a facility with a nameplate capacity of 4.8 MW and consisting of six reciprocating engines and all appurtenant structures and equipment, including interconnection facilities (the "Facility"), for the purpose of generating electricity. The Facility will use landfill methane gas recovery as its primary energy source and natural gas as a back-up energy source. Under the PPA, JCP&L will purchase all of the Facility's energy and capacity, over a 20 year term. The Facility is scheduled to begin commercial operation no sooner than May 31, 1996.

If the MRPC PPA is approved as requested, rates are projected to be approximately \$4.2 million (on a net present value basis), or 33%, higher than they otherwise would be, assuming the Facility were to begin commercial operation in 1996.

Copies of the Petition and the PPA are available for inspection at the Company's offices at 300 Madison Avenue, Morristown, New Jersey 07962, and at the Board's offices at Two Gateway Center, Newark, New Jersey 07102.

State of New Jersey } ss.

MONMOUTH COUNTY

KRISTE KUCHINSKI

Personally appeared

of The Home News, a newspaper printed in Freehold, NJ and published in NEPTUNE, in said County and State, who being duly sworn, deposeth and saith that the advertisement of which the annexed is a true copy, has been published in the said newspaper

ONE (1) times, once in each issue, as follows

NOVEMBER 15 A.D., 19 95

Kriste Kuchinski
Sworn and subscribed before me this

18TH day of DECEMBER

A.D., 1995

BARBARA WARD

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Sept. 15, 1998

Notary Public of New Jersey

Notice of this filing together with a notice of the public hearing thereon are being served upon the clerk, executive or administrator of each municipality and county within the Company's service area, and have also been served upon Blossom A. Perez, Esq., Director of the Division of the Ratepayer Advocates, who will represent the public interest in this proceeding.

PLEASE TAKE NOTICE that the Board is considering the appropriateness of approval of this PPA and the Company's request for recovery of the costs to be incurred pursuant to the PPA through rates charged to its customers pursuant to its levelized energy adjustment clause. The Board has therefore scheduled a public hearing so that all persons may appear and be heard at the following time and place:

Tuesday, December 5, 1995
10:30 A.M.

Manchester Township
Municipal Building
1 Colonial Drive

Lakeland, New Jersey 08733

The hearing will continue on the above date and place until all persons appearing at the foregoing time have had an opportunity to be heard and/or to submit written comments or statements if they wish to do so.

Any person who wishes to submit written comments should do so by Friday, December 15, 1995 and should address them to James A. Napoli, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

Any person who wishes to intervene as a party in this proceeding should file a written motion to intervene with James A. Napoli, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102, not less than three days prior to the hearing date set forth above.

JERSEY CENTRAL
POWER & LIGHT COMPANY

By: MICHAEL P. MORRELL

VICE PRESIDENT
REGULATORY AND
PUBLIC AFFAIRS

State of New Jersey, } ss.
 Mercer County

PUBLIC NOTICE
 JERSEY CENTRAL
 POWER & LIGHT COMPANY
 NOTICE OF FILING OF
 PETITION TO APPROVE
 THE POWER PURCHASE
 AGREEMENT BETWEEN
 JERSEY CENTRAL
 POWER & LIGHT COMPANY
 AND MANCHESTER
 RENEWABLE POWER
 CORPORATION
 AND PUBLIC HEARING
 TO OUR CUSTOMERS:

Notice of this filing together with a notice of the public hearing thereon are being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas, and have also been served upon Blossom A. Peretz, Esq., Director of the Division of the Ratepayer Advocate, who will represent the public interest in this proceeding.

PLEASE TAKE NOTICE that the Board is considering the appropriateness of approval of this PPA and the Company's request for recovery of the costs to be incurred pursuant to the PPA through rates charged to its customers pursuant to its levelized energy adjustment clause. The Board has therefore scheduled a public hearing so that all persons may appear and be heard at the following time and place:

Tuesday, December 5, 1995

10:30 A.M.

Manchester Township
 Municipal Building
 1 Colonial Drive

Lakehurst, New Jersey 08733

The hearing will continue on the above date and place until all persons appearing at the foregoing time have had an opportunity to be heard and/or to submit written comments or statements if they wish to do so.

Any person who wishes to submit written comments should do so by Friday, December 15, 1995 and should address them to James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

Any person who wishes to intervene as a party in this proceeding should file a written motion to intervene with James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102, not less than three days prior to the hearing date set forth above.

JERSEY CENTRAL
 POWER & LIGHT COMPANY
 By: MICHAEL P. MORRELL
 VICE PRESIDENT
 REGULATORY AND
 PUBLIC AFFAIRS

Fee 5429.71
 11/15 Times

Raymond Thomas

being duly sworn according to law, on her oath says that she is Bookkeeper for The Times Newspapers, a newspaper printed and circulated in the City of Trenton, in the County and State aforesaid, and the deponent further states she has personal knowledge that an advertisement, of which the annexed is a true copy, was published in the issue of

November 15, 1995
 Raymond Thomas

Sworn and subscribed before me

this 17th day of November, 1995...

James Raymond
 Notary Public for N.J.

STATE OF NEW JERSEY, ss. .
HUNTERDON COUNTY

**PUBLIC NOTICE
JERSEY CENTRAL
POWER & LIGHT COMPANY
NOTICE OF FILING OF
PETITION TO APPROVE
THE POWER PURCHASE
AGREEMENT BETWEEN
JERSEY CENTRAL
POWER & LIGHT COMPANY
AND MANCHESTER
RENEWABLE POWER
CORPORATION
AND PUBLIC HEARING
TO OUR CUSTOMERS:**

On August 31, 1995, Jersey Central Power & Light Company ("JCP&L" or the "Company") filed a Petition with the New Jersey Board of Public Utilities (the "Board"), under BPU Docket No. EM95090411, for approval of the power purchase agreement ("PPA") between the Company and Manchester Renewable Power Corporation ("MRPC").

Pursuant to the PPA, MRPC proposes to construct, own, operate and maintain, at property adjacent to the Ocean County Landfill, located in Manchester Township, Ocean County, New Jersey, a facility with a nameplate capacity of 4.8 MW and consisting of six reciprocating engines and all appurtenant structures and equipment, including interconnection facilities (the "Facility"), for the purpose of generating electricity. The Facility will use landfill methane gas recovery as its primary energy source and natural gas as a back-up energy source. Under the PPA, JCP&L will purchase all of the Facility's energy and capacity, over a 20 year term. The Facility is scheduled to begin commercial operation no sooner than May 31, 1996.

If the MRPC PPA is approved as requested, rates are projected to be approximately \$4.2 million (on a net present value basis), or 33%, higher than they otherwise would be, assuming the Facility were to begin commercial operation in 1996.

Copies of the Petition and the PPA are available for inspection at the Company's offices at 300 Madison Avenue, Morristown, New Jersey 07962, and at the Board's offices at Two Gateway Center, Newark, New Jersey 07102.

Notice of this filing together with a notice of the public hearing thereon are being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas, and have also been served upon Blossom A. Peretz, Esq., Director of the Division of the Ratepayer Advocate, who will represent the public interest in this proceeding.

PLEASE TAKE NOTICE that the Board is considering the appropriateness of approval of this PPA and the Company's request for recovery of the costs to be incurred pursuant to the PPA through rates charged to its customers pursuant to its levelized energy adjustment clause. The Board has therefore scheduled a public hearing so that all persons may appear and be heard at the following time and place:

**Tuesday, December 5, 1995
10:30 A.M.**

**Manchester Township
Municipal Building
1 Colonial Drive**

Lakehurst, New Jersey 08733

The hearing will continue on the above date and place until all persons appearing at the foregoing time have had an opportunity to be heard and/or to submit written comments or statements if they wish to do so.

Any person who wishes to submit written comments should do so by Friday, December 15, 1995 and should address them to James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

Any person who wishes to intervene as a party in this proceeding should file a written motion to intervene with James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102, not less than three days prior to the hearing date set forth above.

**JERSEY CENTRAL
POWER & LIGHT COMPANY**

By: MICHAEL P. MORRELL

**VICE PRESIDENT
REGULATORY AND
PUBLIC AFFAIRS**

(Prs. Fee: \$105.84)

Margaret M. Gerke, of full age, being duly

sworn, on her oath saith that she is the

Controller of the

Hunterdon County Democrat

a weekly newspaper printed and published

in Flemington, in the said County of

Hunterdon, and that the advertisement,

of which the printed slip hereto annexed

is a true copy, was published in the

above named newspaper on the:

16 th day of November, 1995

and for none weeks successively

thereafter, once in each week, making

one insertion in all.



Controller

SWORN AND SUBSCRIBED

before me on this 16 th day

of November, 1995.

Linda P. Ecker

LINDA P. ECKER
Notary Public of New Jersey
My Commission Expires 5/11/2000
No. 2177836

**PUBLIC NOTICE
JERSEY CENTRAL
POWER & LIGHT COMPANY
NOTICE OF FILING OF
PETITION TO APPROVE
THE POWER PURCHASE
AGREEMENT BETWEEN
JERSEY CENTRAL
POWER & LIGHT COMPANY
AND MANCHESTER
RENEWABLE POWER
CORPORATION
AND PUBLIC HEARING**

TO OUR CUSTOMERS:

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Pursuant to the PPA, MRPC proposes to construct, own, operate and maintain, at property adjacent to the Ocean County Landfill, located in Manchester Township, Ocean County, New Jersey, a facility with a nameplate capacity of 4.8 MW and consisting of six reciprocating engines and all appurtenant structures and equipment, including interconnection facilities (the "Facility"), for the purpose of generating electricity. The Facility will use landfill methane gas recovery as its primary energy source and natural gas as a back-up energy source. Under the PPA, JCP&L will purchase all of the Facility's energy and capacity over a 20 year term. The Facility is scheduled to begin commercial operation no sooner than May 31, 1996.

If the MRPC PPA is approved as requested, rates are projected to be approximately \$4.2 million (on a net present value basis), or 33% higher than they otherwise would be, assuming the Facility were to begin commercial operation in 1996.

Copies of the Petition and the PPA are available for inspection at the Company's offices at 300 Madison Avenue, Morristown, New Jersey 07962, and at the Board's offices at Two Gateway Center, Newark, New Jersey 07102.

Notice of this filing together with a notice of the public hearing thereon are being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas, and have also been served upon Blossom A. Peretz, Esq., Director of the Division of the Ratepayer Advocates, who will represent the public interest in this proceeding.

PLEASE TAKE NOTICE that the Board is considering the appropriateness of approval of this PPA and the Company's request for recovery of the costs to be incurred pursuant to the PPA through rates charged to its customers pursuant to its levelized energy adjustment clause. The Board has therefore scheduled a public hearing so that all persons may appear and be heard at the following time and place:

Tuesday, December 5, 1995
10:30 A.M.

Manchester Township
Municipal Building
1 Colonial Drive

Lakewood, New Jersey 08733

The hearing will continue on the above date and place until all persons appearing at the foregoing time have had an opportunity to be heard and/or to submit written comments or statements if they wish to do so.

Any person who wishes to submit written comments should do so by Friday, December 15, 1995 and should address them to James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

Any person who wishes to intervene as a party in this proceeding should file a written motion to intervene with James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102, not less than three days prior to the hearing date set forth above.

JERSEY CENTRAL
POWER & LIGHT COMPANY

By: MICHAEL P. MORRELL
VICE PRESIDENT
REGULATORY AND
PUBLIC AFFAIRS

NEW JERSEY, SUSSEX COUNTY, ss.

Carol A. Romme', of full age, being duly sworn, did depose and say that the notice hereto attached was published in

The New Jersey Herald

a newspaper printed and circulated in said county on
NOVEMBER 15, 1995

being..... weeks successively, at least once
in each week.

Carol A. Romme

Accounting Manager

Sworn and subscribed before me this

15 day of DECEMBER, 1995

HONEY L. KUNKLE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar 18, 1997

**PUBLIC NOTICE
JERSEY CENTRAL
POWER & LIGHT COMPANY
NOTICE OF FILING OF
PETITION TO APPROVE
THE POWER PURCHASE
AGREEMENT BETWEEN
JERSEY CENTRAL
POWER & LIGHT COMPANY
AND MANCHESTER
RENEWABLE POWER
CORPORATION
AND PUBLIC HEARING**

TO OUR CUSTOMERS:

On August 31, 1995, Jersey Central Power & Light Company ("JCP&L" or the "Company") filed a Petition with the New Jersey Board of Public Utilities (the "Board"), under BPU Docket No. EM95090411, for approval of the power purchase agreement ("PPA") between the Company and Manchester Renewable Power Corporation ("MRPC").

Pursuant to the PPA, MRPC proposes to construct, own, operate and maintain, at property adjacent to the Ocean County Landfill, located in Manchester Township, Ocean County, New Jersey, a facility with a nameplate capacity of 4.8 MW and consisting of six reciprocating engines and all appurtenant structures and equipment, including interconnection facilities (the "Facility"), for the purpose of generating electricity. The Facility will use landfill methane gas recovery as its primary energy source and natural gas as a back-up energy source. Under the PPA, JCP&L will purchase all of the Facility's energy and capacity, over a 20 year term. The Facility is scheduled to begin commercial operation no sooner than May 31, 1996.

If the MRPC PPA is approved as requested, rates are projected to be approximately \$4.2 million (on a net present value basis), or 33%, higher than they otherwise would be, assuming the Facility were to begin commercial operation in 1996.

Copies of the Petition and the PPA are available for inspection at the Company's offices at 300 Madison Avenue, Morristown, New Jersey 07962, and at the Board's offices at Two Gateway Center, Newark, New Jersey 07102.

Notice of this filing together with a notice of the public hearing thereon are being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas, and have also been served upon Blossom A. Peretz, Esq., Director of the Division of the Ratepayer Advocate, who will represent the public interest in this proceeding.

PLEASE TAKE NOTICE that the Board is considering the appropriateness of approval of this PPA and the Company's request for recovery of the costs to be incurred pursuant to the PPA through rates charged to its customers pursuant to its levelized energy adjustment clause. The Board has therefore scheduled a public hearing so that all persons may appear and be heard at the following time and place:

Tuesday, December 5, 1995

10:30 A.M.

**Manchester Township
Municipal Building
1 Colonial Drive**

Lakehurst, New Jersey 08733

The hearing will continue on the above date and place until all persons appearing at the foregoing time have had an opportunity to be heard and/or to submit written comments or statements if they wish to do so.

Any person who wishes to submit written comments should do so by Friday, December 15, 1995 and should address them to James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

Any person who wishes to intervene as a party in this proceeding should file a written motion to intervene with James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102, not less than three days prior to the hearing date set forth above.

**JERSEY CENTRAL
POWER & LIGHT COMPANY**

By: MICHAEL P. MORRELL

**VICE PRESIDENT
REGULATORY AND
PUBLIC AFFAIRS**

AFFIDAVIT OF PUBLICATION

**STATE OF NEW JERSEY
COUNTY OF OCEAN**

Doris Ard of
full age, being duly sworn according to law
says that he/she is the clerk for the

OCEAN COUNTY OBSERVER

a newspaper published in Toms River in the
County of Ocean and the State of New Jersey, and
the annexed, a true copy, was published in said
paper on the day of November 15, 1995
and once each week thereafter for _____
consecutive weeks.

Doris Ard
Sworn and subscribed to before me
this 15th day of November 1995.

Peter Murray
Notary Public of New Jersey

**PETER MURRAY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 16, 2000**

PUBLIC NOTICE
JERSEY CENTRAL
POWER & LIGHT COMPANY
NOTICE OF FILING OF
PETITION TO APPROVE
THE POWER PURCHASE
AGREEMENT BETWEEN
JERSEY CENTRAL
POWER & LIGHT COMPANY
AND MANCHESTER
RENEWABLE POWER
CORPORATION
AND PUBLIC HEARING
TO OUR CUSTOMERS:

On August 31, 1995, Jersey Central Power & Light Company ("JCP&L" or the "Company") filed a Petition with the New Jersey Board of Public Utilities (the "Board"), under BPU Docket No. EM95090411, for approval of the power purchase agreement ("PPA") between the Company and Manchester Renewable Power Corporation ("MRPC"). Pursuant to the PPA, MRPC proposes to construct, own, operate and maintain, at property adjacent to the Ocean County Landfill, located in Manchester Township, Ocean County, New Jersey, a facility with a nameplate capacity of 4.8 MW, and consisting of six reciprocating engines and all appurtenant structures and equipment, including interconnection facilities (the "Facility"), for the purpose of generating electricity. The Facility will use landfill methane gas recovery as its primary energy source and natural gas as a back-up energy source. Under the PPA, JCP&L will purchase all of the Facility's energy and capacity, over a 20 year term. The Facility is scheduled to begin commercial operation no sooner than May 31, 1996.

If the MRPC PPA is approved as requested, rates are projected to be approximately \$4.2 million (on a net present value basis), or 33%, higher than they otherwise would be, assuming the Facility were to begin commercial operation in 1996.

Copies of the Petition and the PPA are available for inspection at the Company's offices at 300 Madison Avenue, Morristown, New Jersey 07962, and at the Board's offices at Two Gateway Center, Newark, New Jersey 07102.

Notice of this filing together with a notice of the public hearing thereon are being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas, and have also been served upon Blossom A. Peretz, Esq., Director of the Division of the Ratepayer Advocate, who will represent the public interest in this proceeding.

STATE OF NEW JERSEY } ss
 COUNTY OF ESSEX }

Being duly sworn, according to law, on oath sayeth that Michael Hansen of the Star-Ledger, in said County of Essex, and that the notice, of which the attached is a copy, was published in said paper on the 15 day of November 1995 and continued therein for 1 successively, at least once in each 1 for Michael Hansen

Sworn to and subscribed

before me this 11 day of Nov, 1995

Donna M. Clement

NOTARY PUBLIC of NEW JERSEY
 DONNA M. CLEMENT

NOTARY PUBLIC OF NEW JERSEY
 MY COMMISSION EXPIRES MARCH 5, 1998

PLEASE TAKE NOTICE that the Board is considering the appropriateness of approval of this PPA and the Company's request for recovery of the costs to be incurred pursuant to the PPA through rates charged to its customers pursuant to its levelized energy adjustment clause. The Board has therefore scheduled a public hearing so that all persons may appear and be heard at the following time and place:

Tuesday, December 5, 1995
10:30 A.M.

Manchester Township
Municipal Building
1 Colonial Drive
Lakehurst, New Jersey 08733

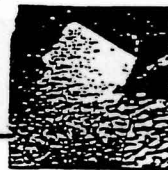
The hearing will continue on the above date and place until all persons appearing at the foregoing time have had an opportunity to be heard and/or to submit written comments or statements if they wish to do so.

Any person who wishes to submit written comments should do so by Friday, December 15, 1995 and should address them to James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

Any person who wishes to intervene as a party in this proceeding should file a written motion to intervene with James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102, not less than three days prior to the hearing date set forth above.

JERSEY CENTRAL
POWER & LIGHT COMPANY
 By: **MICHAEL P. MORRELL**
VICE PRESIDENT
REGULATORY AND
PUBLIC AFFAIRS

\$369.00



**North Jersey
Newspapers
Company**

The Newspaper Network

**STATE OF NEW JERSEY
COUNTY OF WARREN §:**

PUBLIC NOTICE
**JERSEY CENTRAL
POWER & LIGHT COMPANY**
NOTICE OF FILING OF
PETITION TO APPROVE
THE POWER PURCHASE
AGREEMENT BETWEEN
JERSEY CENTRAL
POWER & LIGHT COMPANY
AND MANCHESTER
RENEWABLE POWER
CORPORATION
AND PUBLIC HEARING
TO OUR CUSTOMERS:

On August 31, 1985, Jersey Central Power & Light Company ("JCP&L" or the "Company") filed a Petition with the New Jersey Board of Public Utilities (the "Board"), under BPU Docket No. BVS030411, for approval of the power purchase agreement ("PPA") between the Company and Manchester Renewable Corporation ("MRC") for the purchase of power from MRC to construct, own, operate and maintain a property adjacent to the "Old" County Landfill located in Manchester Township, Ocean County, New Jersey. The property is a 100-acre site owned by MRC and consisting of a proposed engine and air conditioning structures and equipment including interconnection facilities for the "Facility" for the purpose of generating electricity. The Facility will use landfill methane gas recovery as its primary energy source and natural gas as a back-up energy source. Under the PPA, JCP&L will purchase all of the Facility's energy and capacity over a 20-year term. The Facility is scheduled to begin commercial operation no later than May 31, 1995. If the MRC PPA is approved, as requested, rates are projected to be approximately \$4.2 million for a net present value-based, or 33% higher than they otherwise would be, assuming the Facility were to begin commercial operation in 1995. Copies of the Petition and the PPA are available for inspection at the Company's offices at 300 Madison Avenue, Montclair, New Jersey 07042 and at the Board's offices at 1000 Gateway Center, Newark, New Jersey 07102.

Notice of this filing together with a notice of the public hearing thereon are being served upon the Clerk, executive or administrator of each municipality and County within the Company's service area, and have also been served upon Blouman A. Pinter, Esq., Director of the Division of the Consumer Affairs, who will represent the public interest in the proceeding.

PLEASE TAKE NOTICE that the Board is considering the appropriateness of approval of this PPA and the Company's request for recovery of the costs incurred pursuant to the PPA through rates charged to its customers pursuant to its regulatory authority. The Board has scheduled a public hearing so that all persons may appear and be heard at the following time and place:

10:00 A.M.
Manchester Township
Municipal Building
500 Colonial Drive
Lakewood, New Jersey 07033
The hearing will continue on the above date and time and all persons appearing at the hearing will have the opportunity to be heard and/or to submit written comments. The Board has scheduled a public hearing so that all persons may appear and be heard at the following time and place:
Any person who wishes to submit written comments should do so by Friday, December 15, 1985 and should address them to James A. Napoli, Secretary, Board of Public Utilities, 1000 Gateway Center, Newark, New Jersey 07102 or to any person who wishes to be interviewed as a participant in the proceeding should file a written motion to intervene with James A. Napoli, Secretary, Board of Public Utilities, 1000 Gateway Center, Newark, New Jersey 07102 not less than three days prior to the hearing date set forth above.

**JERSEY CENTRAL
POWER & LIGHT COMPANY**
By MICHAEL P. MORRELL
VICE PRESIDENT
**REGULATORY AND
PUBLIC AFFAIRS**

of full age, being duly sworn according to law, on his oath says that he is employed at THE STAR-GAZETTE that a notice of which the annexed is a true copy was published on

Nov 16

in THE STAR-GAZETTE, a newspaper published in the County of Warren and State of New Jersey, and contained therein for

1 times

at least once in each week.

Subscribed and sworn before me this

16th day of

Nov. 19*85*

Ellen Maneri

A notary Public of New Jersey

ELLEN MANERI

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Feb 25 1987

Affidavit of Publication

Printer's Fee \$.....

State of New Jersey } ss.
MONMOUTH COUNTY

Personally appeared KATHLEEN A. GIBSON

of the Asbury Park Press, a newspaper printed and published in NEPTUNE, in said County and State, who being duly sworn, depose and saith that the advertisement of which the annexed is a true copy, has been published in the said newspaper

1 times, once in each issue, as follows

NOVEMBER 15

A.D., 19 95

5TH

A.D., 19 95

JDA L HOLT

2038453

REC. OF NEW JERSEY

Expires December 18, 1997

Sworn and subscribed before me this
day of DECEMBER

Notary Public of New Jersey

**PUBLIC NOTICE
JERSEY CENTRAL
POWER & LIGHT COMPANY
NOTICE OF FILING OF
PETITION TO APPROVE
THE POWER PURCHASE
AGREEMENT BETWEEN
JERSEY CENTRAL
POWER & LIGHT COMPANY
AND MANCHESTER
RENEWABLE POWER
CORPORATION
AND PUBLIC HEARING
TO OUR CUSTOMERS:**

On August 31, 1995, Jersey Central Power & Light Company ("JCP&L" or the "Company") filed a Petition with the New Jersey Board of Public Utilities (the "Board"), under BPU Docket No. EM95090411, for approval of the power purchase agreement ("PPA") between the Company and Manchester Renewable Power Corporation ("MRPC").

Pursuant to the PPA, MRPC proposes to construct, own, operate and maintain, at property adjacent to the Ocean County Landfill, located in Manchester Township, Ocean County, New Jersey, a facility with a nameplate capacity of 4.8 MW and consisting of six reciprocating engines and all appurtenant structures and equipment, including interconnection facilities (the "Facility"), for the purpose of generating electricity. The Facility will use landfill methane gas recovery as its primary energy source and natural gas as a back-up energy source. Under the PPA, JCP&L will purchase all of the Facility's energy and capacity, over a 20 year term. The Facility is scheduled to begin commercial operation May 21, 1996.

If the MRPC PPA is approved as requested, rates are projected to be approximately \$4.2 million (on a net present value basis), or 33%, higher than they otherwise would be, assuming the Facility were to begin commercial operation in 1996.

Copies of the Petition and the PPA are available for inspection at the Company's offices at 300 Madison Avenue, Morristown, New Jersey 07962, and at the Board's offices at Two Gateway Center, Newark, New Jersey 07102.

Notice of this filing together with a notice of the public hearing thereon are being served upon the clerk, executive or administrator of each municipality and county within the Company's service areas, and have also been served upon Blossom A. Peretz, Esq., Director of the Division of the Ratepayer Advocate, who will represent the public interest in this proceeding.

PLEASE TAKE NOTICE that the Board is considering the appropriateness of approval of this PPA and the Company's request for recovery of the costs to be incurred pursuant to the PPA through rates charged to its customers pursuant to its levelized energy adjustment clause. The Board has therefore scheduled a public hearing so that all persons may appear and be heard at the following time and place:

Tuesday, December 5, 1995
10:30 A.M.

Manchester Township
Municipal Building

The hearing will continue on the above date and place until all persons appearing at the foregoing time have had an opportunity to be heard and/or to submit written comments or statements if they wish to do so.

Any person who wishes to submit written comments should do so by Friday, December 15, 1995 and should address them to James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102.

Any person who wishes to intervene as a party in this proceeding should file a written motion to intervene with James A. Nappi, Secretary, Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102, not less than three days prior to the hearing date set forth above.

JERSEY CENTRAL
POWER & LIGHT COMPANY
By: MICHAEL P. MORRELL
VICE PRESIDENT
REGULATORY AND
PUBLIC AFFAIRS